

BUSINESS & FINANCIAL OVERVIEW

European Shares Seen Opening Sharply Lower On Trade Concerns

European stocks are likely to open sharply lower on Monday as a rapid escalation in the U.S.-China trade war sent investors scurrying for safe havens such as gold, bonds and the Japanese yen.

Asian shares hit 6 1/2-month lows as China's yuan slumped to a more than decade trough amid speculation Beijing was allowing currency depreciation to counter U.S. President Donald Trump's latest tariff threat.

The exchange rate fell more than 1 percent after the People's Bank of China set its daily reference rate at a weaker level than 6.9 for the first time since December.

Japan's Nikkei index tumbled 1.8 percent as traders braced for a full-fledged currency war. Hong Kong's Hang Seng fell nearly 3 percent as pro-democracy protesters in Hong Kong launched a rare city-wide strike, throwing one of the world's busiest commutes into chaos.

Elsewhere, benchmark indexes in Australia, China, India, New Zealand and South Korea were down between 0.9 percent 2.5 percent.

The Swiss franc was boosted by safe-haven demand from the escalating trade tensions while the British pound hovered near 2017 lows on concerns about Britain leaving the European Union without a deal.

In economic releases, China's services sector activity rose at the slowest pace in five months in July despite a sharp upturn of new export orders, a private survey showed. The Caixin/Market services PMI dropped to 51.6 from 52.0 in June.

Closer home, final purchasing managers' survey results are due from the euro area, headlining a busy day for the European economic news.

U.S. stocks hit their lowest levels since late June on Friday as investors fretted about an escalating trading conflict with China as well as mixed signals on monetary policy from the Federal Reserve.

Meanwhile, the latest jobs report showed that job growth slowed in July while wages picked up moderately.

The Dow Jones Industrial Average slipped 0.4 percent, the S&P 500 shed 0.7 percent and the tech-heavy Nasdaq Composite lost 1.3 percent.

European markets slumped on Friday as China strongly opposed the U.S. tariff threat and the U.K. Conservatives lost the Brecon and Radnorshire by-election.

The pan European Stock 600 gave up 2.5 percent. The German DAX plunged 3.1 percent, France's CAC 40 index lost 3.6 percent and the U.K.'s FTSE 100 tumbled 2.3 percent.

